SOFT DRINKS ☐ BEER ☐ BOTTLED WATER ☐ WINE ☐ POWDERS ☐ JUICES ☐ SPIRITS

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Sisisky up for re-election as NSDA chairman

WASHINGTON, DC—Norman Sisisky, Pepsi-Cola Bottling Co. of Petersburg, VA, has been nominated for re-election as chairman of the National Soft Drink Assn. by the 1981 Nominating Committee.

Also nominated for re-election was Bob W. Delauter, Coca-Cola Bottling Co. of Portland, Portland, IN for vice chairman.

The committee which met on September 15 also nominated seven candidates for three year terms on the NSDA Executive Board. The candidates were: Donald E. Benson, MEI Corp., Minneapolis, MN; George Connor, Baton Rouge Coca-Cola Bottling Co., Ltd., Baton Rouge, LA; Alfred L. Griggs, Coca-Cola Bottling Co. of Northampton, Northampton, MA; Henry M. O'Neill, Jr., Beverage Management Inc., Columbus, OH; John A. Robertshaw, Jr., Pepsi-Cola Bottling Corp. of Kecksburg, Greenburg, PA., Larry Smith, Atlantic Soft Drink Co., Columbia, SC; and James E.

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Resealable, all-aluminum bottle

Continental's new developmental all-aluminum bottle has resealable closure, the "Clicker". For details, see page 48.

American Can petitions F&DA to label can ends

WASHINGTON, DC — A soft drink can manufacturer has petitioned the Food and Drug Administration for exemption from labeling placement requirements to provide it with the competitive advantage now enjoyed by bottle makers.

The American Can Co. contends that can manufacturers should be allowed to place the maker, packer or distributor's name clearly and conspicuously on the lid instead of the open-top container. If such labeling is allowed, the declarations would be embossed in 1/8 in. type, would follow the curvature of the lid and not be removed or obscured by the can's tab, the petition states.

The problem with current regulations, the company maintains, is that they distinguish between can and bottle placement of the soft drink franchisee's identification on

(Continued on page 154)

BI Week

• Philip N. Hughes, president of Beverage Products Group, Tulsa, OK, has been named the 1981 recipient of *Beverage Industry's* Man of the Year award. Hughes was nominated by six company executives and his nomination was endorsed by some 14 additional industry and community leaders. Hughes will be honored at this year's NSDA meeting and will be profiled in *Beverage Industry's* issue of December 4.

• Who's ahead in food store sales? According to several Pepsi bottlers, the Neilson figures — which monitor a large portion of this market — give Pepsi a 1.3 share point edge over Coke for '81 through July. Pepsi's allied brands are also reportedly gaining market share in this segment. Other sources say Coke has made significant gains. The two are "neck and neck."

• Summerfield Johnston, president of Johnston Southern Co., Chattanooga, TN (which also owns Johnston Coca-Cola, Cleveland, TN and other Coke franchises in the

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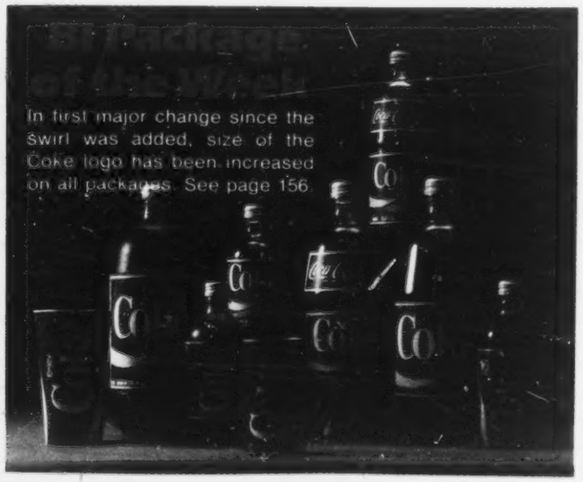

GVA vending program could generate $20 million

WASHINGTON, DC — The Glass Packaging Institute headquartered here has just announced an expanded version of its Glass Vending Association program to begin December 1, called "Go First Glass II."

"We're projecting that Phase II of the GVA program could generate $20 million or more toward the purchase of vending machines to dispense pre-labeled single service glass," said Gunter Rohland, GPI vice president. "We believe it will be one of the biggest vending incentive programs in bottler history."

The participating glass container manufacturers voted unanimously to fund the new program, according to Rohland. "Their decision reflects the proven consumer preference for pre-labeled single service and the high level of enthusiasm and participation by bottlers."

In Phase II, a bottler earns credits of 4 cents per case for qualifying purchases of 10 and 16 oz. pre-labeled single service glass bottles from December 1, 1981, through Au-

(Continued on page 153)

Houston, TX. For a look at the equipment, the operation and the people who run it, see **page 100.**

Latrobe Brewery cuts coding costs 50%

With a new laser coding system developed by Laser-Mark, the Latrobe Brewery has been able to cut dating and coding costs up to 50%. The system involves directing a clean, defined beam of light through a stencil that conforms the light to the shape of each code character. The laser removes a minute amount of ink from the cans and the code is permanently made. For more details, see **page 108.**

Profile: China Coke

The new Coke plant in Beijing, China is the first since 1949. It opened with a fanfare of balloons and a ribbon cutting by Roberto Goizueta, Coca-Cola chairman, this past April. An overview of the operation begins on **page 112.**

Radio stations join bottlers in promos

Bottlers looking for an innovative way to promote their products and increase visibility may find success cooperating with a local radio station in a plastic card promotion. For information on how to start up such a promotion, see page **121.**

Soft drink warehouse management

Two consultants from Profit Management Development explain how to utilize warehouse space to the optimum. For a diagram of an ideal warehouse layout and a detailed explanation of how to set up the system that's best for you, turn to **page 129.**

Arizona BIRP proves recycling profitability

The Beverage Industry Recycling Program, started in 1971, is proving to be a profitable business throughout the Southwest and around the United States. For a history of its growth, and comments from some of the key individuals involved in the program, see **page 132.**

Arrangement for a beer warehouse

A consultant with Beverage Management Associates explains how to arrange a temperature controlled beverage distribution facility. For a diagram and detailed description, see page **140.**

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Beverage Business Indicators

Glass container shipments

(thousands of gross)
(not seasonally adjusted)

	June '81	July '81	% change
Bottles	30,303	29,490	(2.7)
Beverage: refillable	451	350	(22.2)
nonrefillable	6,697	6,742	2.8
under 10 oz			—
10.0 to 15.9 oz	2,091	2,087	0.3
16.0 to 16.9 oz (includes 1-L)	3,521	3,464	(1.7)
17.0 to 33.9 oz (includes 1-L)	663	856	15.8
34.0 oz and over (includes 2-L)	—	—	—
Beer: refillable	140	84	(41.3)
nonrefillable	11,217	11,362	1.2
under 11 oz	2,035	2,095	2.9
11.0 to 15.9 oz	6,815	6,850	0.4
16.0 and over	567	606	6.9
Liquor	1,462	1,159	(20.7)
Under 125 ml (4.23 oz and under)	185	92	(50.3)
126 to 275 ml (4.24 to 9.3 oz)	294	267	(9.2)
276 to 500 ml (9.31 to 16.9 oz)	176	143	(18.8)
501 to 800 ml (16.9+ to 27.04 oz)	299	270	0.4
801 to 1000 ml (27.05 to 33.80 oz)	374	241	(35.6)
1001 ml and over	164	146	(11.0)
Wine	762	536	(16.5)
126 to 500 ml (4.24 to 16.9 oz)	134	73	(45.5)
501 to 800 ml (16.91 to 27.04 oz)	335	349	4.2
801 to 1000 ml (27.05 to 33.8 oz)	92	88	(4.3)
1001 to 1600 ml (33.81 to 54.08 oz)	148	96	(35.1)
Over 1600 ml (over 54.08 oz)	53	29	(45.3)

Source: U.S. Dept. of Commerce
Bureau of the Census

Closures for beverages

	June '81	July '81	% change
Metal (for spirits, wines)	45,733	50,262	9.9
Plastic (for spirits, wines)	100,920	72,961	(27.7)
Metal crowns (beer and soft drinks)			
Soft drink (convenience types)	1,616	2,393	48.1
Soft drink (conventional types)	8,596	6,791	(21.0)
Beer (convenience types)	12,674	12,112	(4.4)
Beer (conventional types)	2,138	2,867	34.1
All other metal closures other than crowns	7,251	7,830	8.0

Source: U.S. Dept. of Commerce
Bureau of the Census

Imported beverages

(proof gals)

	July '81	August '81	% change
Beer*	16,583,648	16,711,545	0.9
Whiskey	6,519,629	5,811,121	(10.9)
Brandy	263,535	416,677	58.9
Gin	393,537	401,388	2.0
Rum	77,499	80,361	3.7
Scotch	3,721,341	3,081,377	(17.2)
Cordials and liqueurs	640,079	655,763	(28.6)
Others	736,677	848,525	15.1
Total	28,917,819	24,698,198	(2.2)
Sparkling wines	561,503	520,433	(5.5)
Still wines, table	7,[illegible],134	8,726,041	10.2
Still wines, flavored	126,540	169,824	33.8
Vermouth	182,496	223,036	22.4

Selected Consumer Price Index

(The year 1967 equals 100)

	June '81	July '81	% change
Cola	294.1	290.8	(3.3)
Other carbonated soft drinks	139.3	138.3	(1.0)
Noncarbonated drinks	134.4	134.0	(0.4)
Wine	233.4	236.9	3.5
Beer and ale	202.4	202.4	0.0

Sweetener data

(Cents per pound, dry basis)

	July '81	August '81	% change
HFCS wholesale prices			
California	21.29	20.75	(2.5)
New York	22.54	21.73	(3.6)
Chicago-West	22.18	21.56	(2.8)
Beet sugar wholesale prices	28.02	—	—
Dextrose wholesale prices			
California	31.52	30.01	(4.8)
New York	30.05	28.54	(5.0)
Chicago-West	30.05	28.54	(5.0)

Source: U.S. Dept. of Agriculture

Domestic beer removals

(Barrels of 31 gals)

	June '81	July '81	% change
Bottles and cans	15,205,365	15,118,684	0.8
Barrels and kegs	2,087,928	2,252,020	7.9
For export	234,041	214,773	(8.2)
Other	18,783	11,792	(37.2)
Total	17,546,137	17,597,269	0.3

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Domestic wine removals

(Wine gals)

	May '81	June '81	% change
Still wines (bulk)	120,616	89,414	(25.9)
Still wines (bottled)	28,911,216	31,112,698	(7.6)
Effervescent wines (bulk & bottled)	1,982,648	2,419,011	22.0
Total	31,014,480	33,621,121	(8.4)

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Domestic spirits removals

(Wine gals)

	May '81	June '81	% change
Whiskey	11,950,062	14,551,633	21.8
Brandy	1,059,878	1,311,238	23.7
Rum	1,273,355	1,580,133	24.1
Gin	2,965,843	3,702,840	24.9
Vodka	8,367,591	8,932,890	6.8
Cordials and liqueurs	2,093,100	2,830,797	35.2
Cocktails and mixed drinks	483,427	775,337	60.9
Total	28,193,256	33,684,918	19.5

Source: U.S. Dept. of the Treasury
Bureau of Alcohol, Tobacco and Firearms

Blow-molded plastic bottle production

(thousands of units)

	June '81	July '81	% change
Plastic bottles (blow-molded)	1,313,010	1,291,595	(1.9)
Carbonated beverages*	222,676	226,044	1.7

*plans are being made to sub-divide this category into .5-, 1- and 2-L sizes

Source: U.S. Department of Commerce
Bureau of the Census

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November 20, 1981

If problems are solved

Plastic could capture 21% of soft drink package volume by '85

SPECIAL REPORT — Assuming some major problems can be solved, the .5-L PET (polyethylene terephthalate) could grow from an insignificant number of units this year — under 150 million — to a projected half billion units in '82 and to two billion units in 1985.

Such growth would mean that an estimated 21.1% of total soft drink volume would be in PET, according to Arthur Stupay, packaging analyst and general partner of the brokerage firm Prescott, Ball & Turben, Cleveland, OH.

In spite of the significant gains he sees for the plastic container, Stupay stresses that the growth will come only if some problems which plague the .5-L container are solved. He pinpoints these as shelf life, raw material prices and line speeds.

Calling his estimates conservative, Stupay adds, "One of the major stumbling blocks to the .5-L's growth is the contining problems of taste. If consumers feel that the product does not taste as good in plastic as it does in glass, they won't buy it and the container will not gain wide acceptance."

According to Stupay's packaging projections, released exclusively to **Beverage Industry**, plastic growth could speed the erosion of 16 oz. returnables in many areas of the country, trigger fierce battles with and signal reduced market share of 16 oz. nonreturnables and will aid in breaking the hold of cans in the vending segment, thus slowing can volume growth.

However, he also projects continued volume growth in all packaging segments into the mid-'80s: cans up from an estimated 25 billion units this year to a projected 30.7 billion figure in '85; one-way bottles from 11.5 billion in '81 to 13.6 billion in '85; returnable bottles up a scant 0.2% to 25 billion in '85, and the 5.9 billion unit volume increase in plastics from '81 to '85.

Obviously, Stupay projects a steady increase in the volume of all soft drink packages to match industry growth: an estimated 73.9 billion equivalent 12 oz. containers this year, up 4% from '80; another 4% increase in '82 to 76.9 billion units; a 4.5% increase in '84 and '85, with projected volume of the latter year at 87.8 billion units.

Future shifts in percent of market for the soft drink package segments, according to Stupay, look like this: plastics increasing its market share from this year to '85 by 3 percentage points as already mentioned; cans expanding its market share by 1.2% over that same period to 35%; returnable glass off 5.1% to 28.4% of the projected '85 market; one-way bottles dipping by just 0.1% to 15.5% of the '85 share of market.

"A growing soft drink market means growing shipments of all nonreturnables, with the fastest growth to be achieved by plastics, some further growth by cans and slower growth of one-way bottles," says Stupay.

"The point to realize," he continues, "is that when you have a new product in a fairly dynamic market, it doesn't eliminate the growth of older products in the market. The growth of plastics from 17% of the market in '81 to over 21% comes mainly at the expense of returnables, and to a lesser extent reduces the growth rate of the non-returnable—we still see a 20% gain in one-way bottles over this period ['81-'85]."

Stupay told **BI** that the projected 2 billion .5-L plastic volume in '85 represents "a conservative growth rate based on learning curve experience of bottlers with the package and by consumers with the package," together with, he says, a "factor for technological change and improvements in product quality."

"If it were a completed product it would take over the

(Continued on page 42)

Soft drink package mix

Volume in billion 12 oz. equivalents

	Cans		1-way bottles		Ret. bottles		Plastic bottles		Total		% change from previous year
	vol.	% of market	vol.	% of market	vol.	% of market	vol.	% of market	vol.	% of market	
1979 actual	25.7	37.6	10.6	15.5	23.3	34.0	8.8	12.9	68.4	100.0	
1980 actual	25.7	36.1	10.7	15.0	23.6	33.3	11.1	15.6	71.1	100.0	3.9
1981 estimated	25.0	33.8	11.5	15.6	24.8	33.5	12.6	17.1	73.9	100.0	4.0
1982 projected	26.0	33.8	12.0	15.6	24.2	31.5	14.7	19.1	76.9	100.0	4.0
1983 projected	27.3	34.0	12.2	15.2	25.0	31.0	15.9	19.8	80.4	100.0	4.5
1984 projected	29.0	34.5	12.8	15.2	25.0	29.8	17.2	20.5	84.0	100.0	4.5
1985 projected	30.7	35.0	13.6	15.5	25.0	28.4	18.5	21.1	87.8	100.0	4.5

Source: Prescott, Ball & Turben

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Beer package mix

Volume in billion 12 oz. equivalents

	Cans		1-way bottles		Ret. bottles		Plastic bottles		Total	
	vol.	% of market	vol.	% of market	vol.	% of market	vol.	% of market	vol.	% of market
1979 actual	28.7	58.3	15.9	32.4	4.6	9.3	NA	—	49.2	100.0
1980 actual	29.5	58.5	16.4	32.5	4.5	9.0	NA	—	50.4	100.0
1981 estimated	30.7	59.4	16.4	31.7	4.6	8.9	NA	—	51.7	100.0
1982 projected	31.8	60.0	16.8	31.7	4.4	8.3	NA	—	53.0	100.0
1983 projected	32.9	60.2	17.3	31.7	4.4	8.1	NA	—	54.6	100.0
1984 projected	33.9	60.3	17.3	30.8	4.3	7.7	.7	1.2	56.2	100.0
1985 projected	35.0	60.4	17.3	29.8	4.3	7.4	1.4	2.4	58.0	100.0

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Plastic soft drink bottles

	1979		1980		1981		1982		1983		1984		1985	
	actual	equiv.	actual	equiv.	actual	equiv.	actual	equiv.	actual	equiv.	actual	equiv.	actual	equiv.
2-L	1.5	8.3	1.9	10.6	2.1	11.8	2.3	12.9	2.4	13.4	2.5	14.0	2.6	14.6
1-L	.2	.5	.2	.5	.3	.8	.4	1.1	.4	1.1	.4	1.1	.4	1.1
.5-L	-	-	-	-	-	-	.5	.7	1.0	1.4	1.5	2.1	2.0	2.8
Total		8.8		11.1		12.6		14.7		15.9		17.2		18.5

Copyright Beverage Industry and Arthur Stupay

Packaging

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market during the next two or three years, but there is still quite a bit of development work to be done," says Stupay.

If the shelf life and carbonated retention problems are worked out within the next year and a half, Stupay says his projections for the .5-L are "subject to sharp upward revision." The '84 and '85 figures for the bottle "could be double" what he now projects. "I wanted to be conservative. The plastics companies say it (the .5-L) will account for over 50% of the 16 oz. market. I'm saying that, at a minimum, the volume figure will be 2 billion units."

At a recent meeting of the Glass Packaging Institute during which Stupay addressed officials and members, he summed up this way: "I expect that growth of .5-L PET in '82 will come at the expense of both non-returnable glass and returnables. The critical year is '83.

"Will plastics take 50% of the .5-L market composed of 5.5 billion units, or will it flop? "There is no definitive answer, but 2-L plastic made it despite the energy scare and shelf life and taste problems. Also, 1-L and .5-L are growing. Cost comparisons are improving, learning curve experience is favorable and consumers clearly desire plastics in this age of Aquarius and Plastics."

In comparison to that 2 billion figure for the .5-L bottle, Stupay sees a 5.9 billion volume figure for the 16 oz. one-way, from which he projects that by '85 the .5-L plastic bottle will represent "about one-third to one-half" of the 16 oz. non-returnable packaging segment.

This thrust by the plastic bottle in the 16 oz. size range will be the catalyst for unprecedented growth of 10 oz. glass, mainly in vending, says Stupay. He sees 10 oz. glass, at an estimated unit volume this year of just under half a billion, growing to about three-quarters of a billion units in '82, topping 1 billion units in '83 and leveling off at 1.2 billion units in '84 and '85. Stupay even predicts that with an increasingly viable and popular 10 oz., a 12 oz. bottle might not be far off.

When told of the Stupay prediction of growing 10 oz. popularity, chiefly in the vending segment, an industry source, who did not want to quoted by name, suggested Stupay might have hit the nail on the head. The source explained: "With a very price conscious consumer, and with vending prices a particular concern, we might see the 'Candy Bar Syndrome' in soft drink vending; that is, not increasing price, but reducing size." However, the source, and others, suggested parent companies might not want to risk such a move. For now, even with increased competition in the vending segment, the can will continue to dominate.

In the family size, glass continues to give way dramatically to plastics. The 64 oz. glass bottle is all but extinct. The 2-L continues to grow, with an estimated 2.1 billion units this year, up to 2.3 billion in '82 and increasing by .1 billion units every year to '85, with volume that year projected at 2.6 billion units.

In the quart size range, glass is projected to fall in volume from .9 billion units this year to .75 billion in '85, while 1-L plastic grows from .3 billion actual units this year to

(Continued on page 44)

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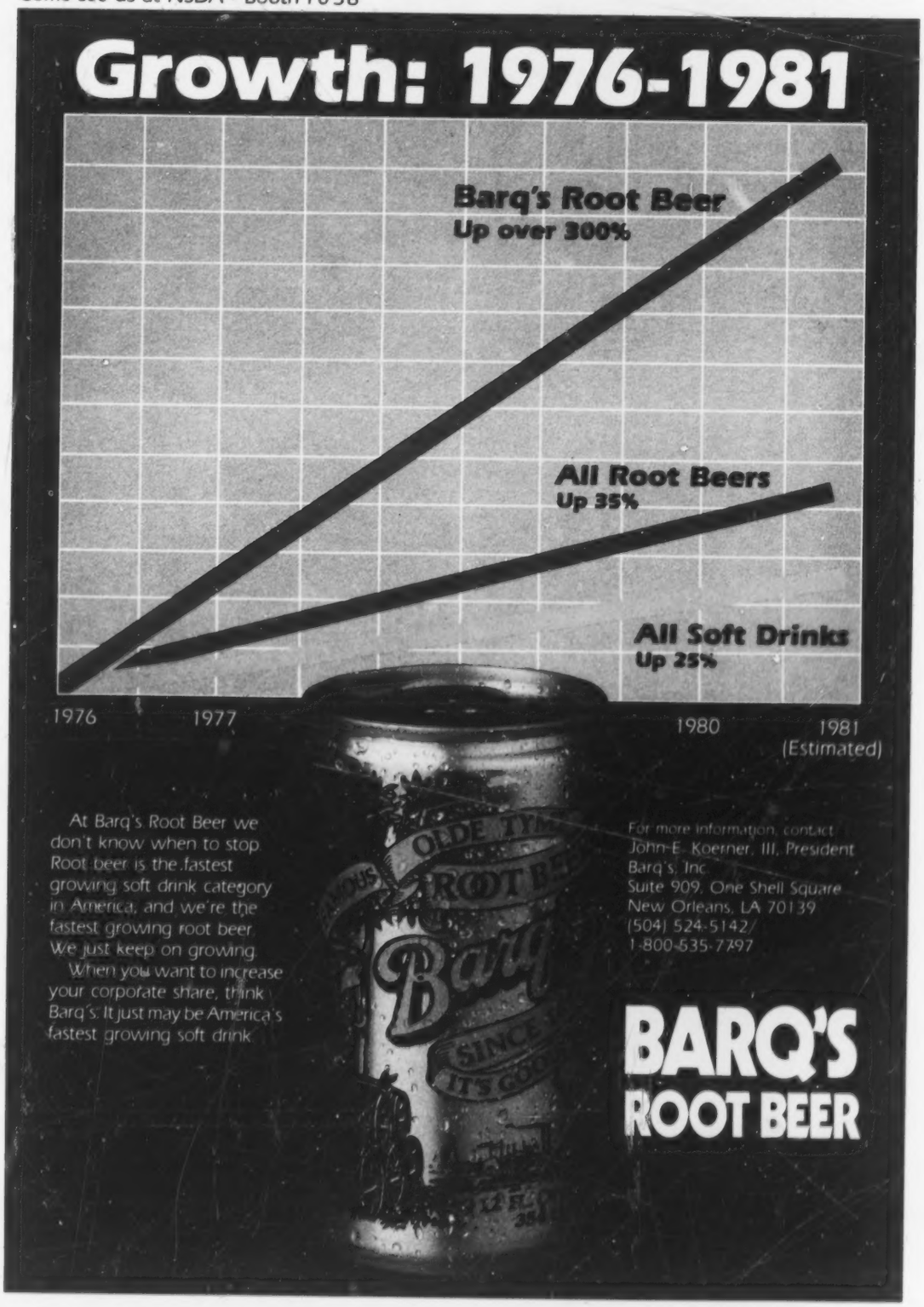
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Packaging

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.4 billion next year, holding at about that volume through '85.

"There will be exploding growth in the .5-L plastic bottle," says Len Ryder, Ryder Associates, who predicts 1982 unit volume for the bottle at between .8 billion and 1.2 billion.

"There will be major selling price reductions in all plastics, maybe as much as 15% lower," says Ryder. However, he says that in-roads will not be made as severly against the returnable as Stupay predicts. "You have very price conscious people in the rural and semi-rural areas. The .5-L plastic bottle will not necessarily appeal to them."

Many bottlers agree—the .5-L will not make significant inroads in the 16 oz. returnable glass segment. Some bottlers say people better be watchful of cannibalization of the can, a very profitable package for most bottlers.

"Where is the .5-L going to be priced?" asks Jim Lindsey, president of the Pepsi-Cola Bottling Co. of Bakersfield, Inc. in California. "It could cut into the can. They'll have to do it without any economic penalty to themselves." Lindsey is not going with the .5-L right now and says, "We don't plan to take a leadership role in this package."

Lindsey calls the .5-L "technically not a good package," due chiefly to shelf life problems. However, he sees it catching on in California, but not necessarily due to reasons advocates of the package have been citing.

glass storage

"The fact of life out here—in fact, throughout much of the Pacific Northwest — is that there is a glass shortage. We can't get glass anywhere. Because of the pollution laws, no new furnaces can be built. So many people are going to go with the .5-L out of necessity," says Lindsey.

He thinks the .5-L will be competing heavily with 16 oz. Plasti-Shield, of course, but that both will be competing with the can. "If bottlers are not careful," Lindsey emphasizes, "they'll be trading people out of cans."

Lindsey also sees cans continuing strong in vending. He says that "cans offer an attractive solution to the vending problem—how to get more units in the machine. As for the 'Chocolate Bar Syndrome' scenario, he doesn't buy it.

"I've tried it. It won't work unless much cheaper packaging costs are available. Even when sugar prices were high, we didn't save enough per case to maintain that vending price. There are almost no savings in package size reductions in vending," Lindsey maintains.

In fact, if anything, Lindsey says it makes more sense to charge a nickel or dime more and increase a can or glass package size because "the bigger the package the cheaper it is for us."

Jim Owens, director of marketing for Hoover Universal, a manufacturer of plastic beverage bottles, says the .5-L will impact on 16 oz. glass the most. However, he says that 16 oz. non-returnables can be offered to the bottler at a lower cost than it is now. The economies are there with glass now, he maintains.

"There will be tremendous price wars between the .5-L—reducing material

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costs—and the 16 oz. glass—reducing labor costs," Owens predicts.

However, with those price wars, the can could very well be a casualty as the six-pack price of 16 oz. glass and .5-L plastic come down.

Owens says Hoover's .5-L bottle with base-cup will be out before the end of the year.

Warren H. O'Neil, director of corporate communications National Can Corp., says "the move glass made into vending has spurred cans to be more competitive," and that the .5-L will further increase the competition.

"If the .5-L takes off, and it looks like it will, glass and cans will yield some strength," O'Neil says, adding that glass will feel the bite before cans.

10 oz. NR push

Maurice Davis, vice president-marketing for Liberty Glass, says flatly that "16 oz. is not a viable vending size" and that the company's 10 oz. 360 degree wrap Econopak (the company also has it in a 16 oz. size) is proving very popular.

"We have bottlers standing in the wings" for deliveries of the company's 10 oz. bottle," Davis states.

Richard J. Blajsczak, vice president of the Arkansas Beverge Co., Little Rock, AR, is another bottler who believes the .5-L will not significantly affect the 16 oz. returnable, especially "from Kansas City up through Pittsburgh."

Blajsczak, whose company has gone with the .5-L bottle and eliminated the 16 oz. Plasti-Shield from his packaging mix, says "the .5-L bottle is not being pushed. The retailers are not promoting it."

Blajsczak admits that the .5-L is not a "horse package, the package bottlers will lead with." He thinks selling it in four-packs is the only way to move it right now, but the parent companies are not allowing it.

It's just a matter of time before the .5-L "jumps all over" Plasti-Shield, Blajsczak believes, but he also says that "16 oz. Plasti-Shield is a profitable package," hence it will "retard .5-L expansion" to a certain degree.

Add to all this single service competition a plastic can, which could be commercial by the mid-80's, according to many in the industry.

"In beer, with packaged consumption growing at 4% plus, I project that one-way bottles will grow at 1% annually through 1985, holding share in 1983 at 17%. Cans helped by aluminum now account for 59% and will rise to 60% in '83. At that time, plastics may enter the picture in the .5-L. It's not on the market, not yet feasible, not economic, but it is potentially significant," Stupay told GPI recently.

Stupay predicts a plastic bottle will come on the scene in the beer industry in '84 with .7 billion units, claiming 1.2% of the market. In '85, he projects plastic at 1.4 billion units, capturing 2.4% of the market.

"Premiums and super-premiums seem to be faltering," says Stupay. "Anheuser Busch's products seem to be gaining, so we could have a renaissance of cans again. Cans have a higher recycling value, and that's a main interest to many wholesalers, especially in mandatory deposit states."

With regards to plastics in the beer industry, Ryder believes a 2-L could be in the

(Continued on page 48)

A new development in filling warm that takes the chill off soft drink profits.

Progressive bottlers have known the value of filling warm for some time. For good reasons. Filling warm reduces costs. Conserves energy. Eliminates thermal shock. And eliminates condensation. Yet filling warm remained on the drawing board. Until now.

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Truly tested. Successfully operating. American-made H&K Delta Fillers fill any soft drink, up to 4 volumes of CO_2, without a loss in filling speed. Efficiently. Economically.

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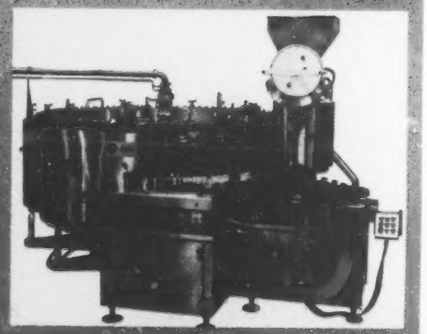

Choose from either the Delta 72-Valve Filler for bottles through the 2 Liter PET bottle, the Delta 30-Valve Filler for bottles up to 48 ounces. Each may be equipped with conventional crown cap or roll-on capper.

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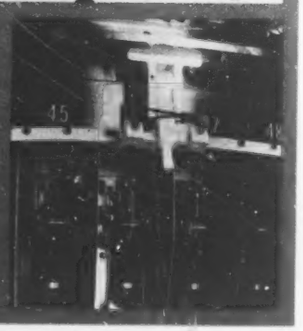

For more information on Delta Fillers write H&K Inc., 2365 S. 170th Street, New Berlin, WI 53151 or H&K Canada Ltd., 6 Hillcrest Drive, St. Thomas, Ontario, Canada

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Continental's resealable all-aluminum bottle

SPECIAL REPORT — Continental's new developmental all-aluminum .5-L bottle would appear to have a lot going for it: its uni-alloy construction makes it totally recyclable; its size puts it into the industry's fastest growing market, the single-service segment; and it's new Clicker plastic closure gives it both pilferproof and resealable features.

Currently under consideration by at least three soft drink firms, **Beverage Industry** first heard of the container in private talks with franchise executives in mid-July. Continental reportedly will review the container at this year's NSDA convention, Dec. 1-3 in Los Angeles.

However, company executives are still taking the position that much work remains to be done on the container and that tests are still being made. When pressed for comment they say the container could be ready for test marketing in early '82.

Called the Clicker (because of the distinct sound the closure makes when it is opened and/or resealed) the container has a DWI 211 diameter body, necked to accept a 209 dome. These two elements are adhesively bonded at the point of manufacture.

The proprietary neck finish has an interior diameter of 1.093 in. Closures will be shipped separately and applied on proprietary CCC equipment after filling.

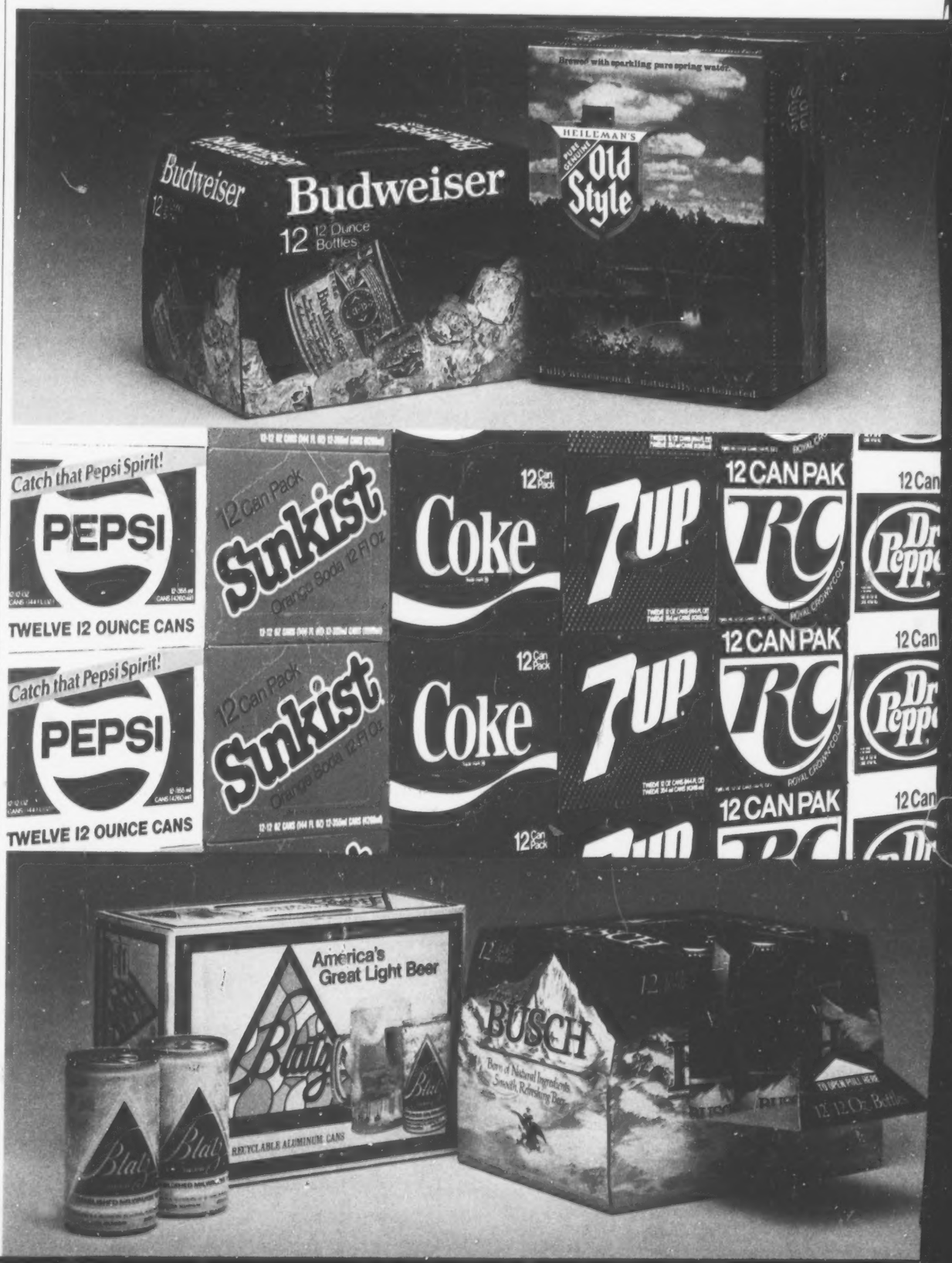
Although changes would be required, the metal bottle could be filled on either a bottling or canning line. (Overall height of the container is 6.75 in.; center of gravity is 3.438 in. above the bottom chime of the recessed base.)

No estimate of the actual changeover costs is available.

"Frankly it depends on the equipment on the line and that varies from plant to plant," a Continental spokesman told **Beverage Industry**. The container has not yet been run on either type of line.

Application of the closure — on either type of line — will require equipment to orient, feed and insert the polypropylene device. The closure is opened by lifting the tab. The first click signals the breaking of the tamperproof seal and vents the container. The second click comes when the tab is pushed back and the internal seal has been broken. After the two "clicks" the top portion is folded back. The pouring and/or drinking edge is opposite the closure hinge (see photo, page 1).

To close, the process is re-



Packaging

(Continued from page 45)

offing as early as late next year.

"A brewery always wants a new package," says Ryder. "There will be a public test marketing of draft 2-L plastic sometime next year. The economies dictate a family size, not a 16 oz." He sees refigerated draft beer in a family size plastic container as just around the corner, with non-draft beer in plastics occuring in '84.

Trends in the European soft drinks market

Research and marketing consultants regularly spend time distinguishing between one product and its competitors, one brand and its rivals, one company and its fellow players. The objective of these analyses is nearly always the same: to identify the strengths and weaknesses of the product, brand and company in the market place.

Frequently, developments in the United States precede similar changes in the European market. Increasingly, straws which are first seen blowing in Europe's breezes reach the American mainland at gale-force speeds. A few of the following examples of those may presage significant changes in the traditional concepts of what constitutes the soft drinks market in Europe.

Packaged shandy — has been around for some time in the UK and Holland but is now breaking out all over Europe, aimed not at children (as was the case in Britain), but at a more adult market. That marketing shift has been taken up in Britain.

Non-alcoholic beer — once dismissed as a nine-day wonder, non-alcoholic beer is now an established segment with entrants from mainstream brewers such as Bass, Watneys and Union de Brasseries in France. Add that together with the retargetting of shandy and you will see how the once very clear dividing line between beer and carbonated soft drinks is becoming blurred.

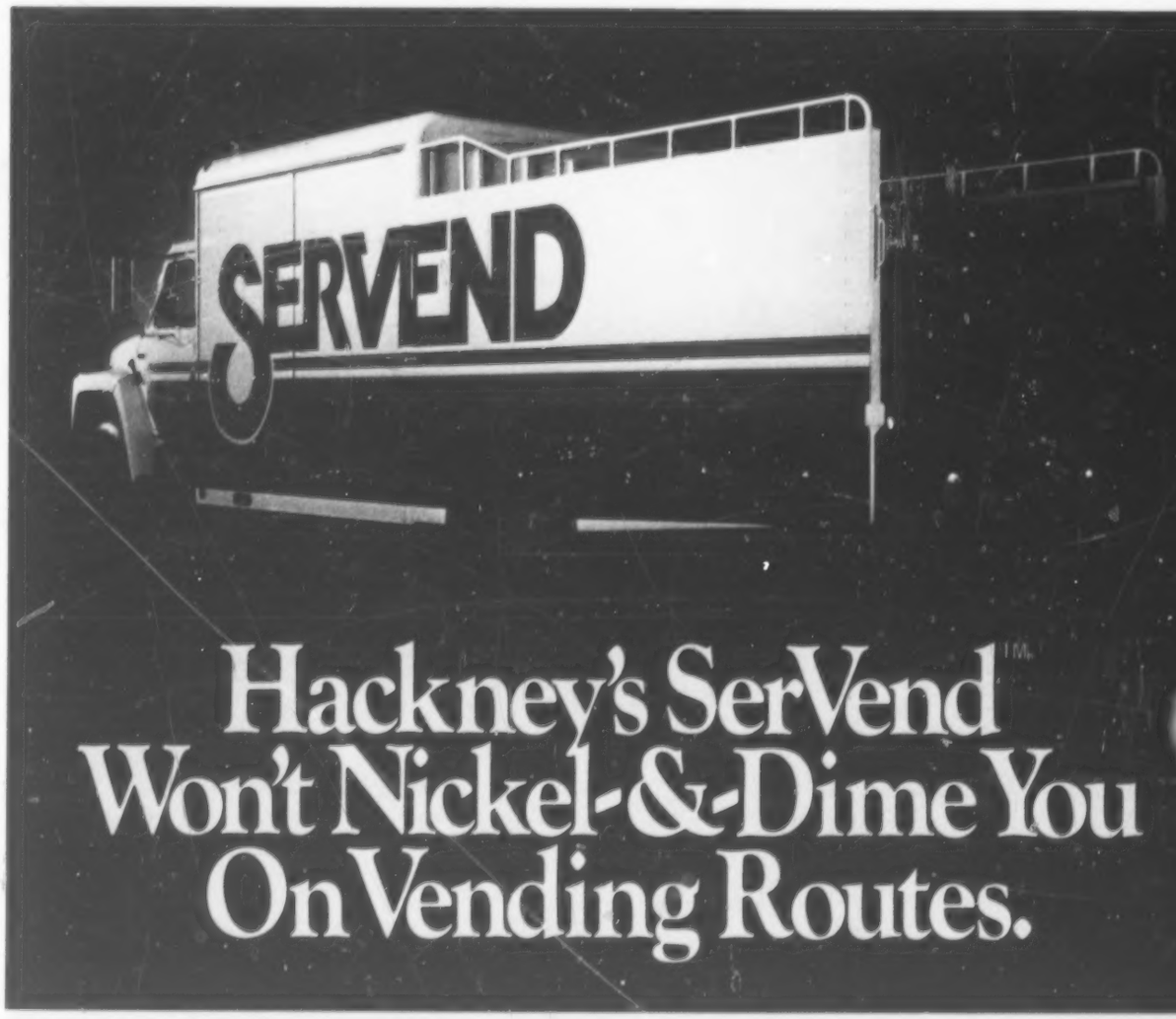
Ready-to-drink Ribena — Previously offered as a syrup for dilution by the consumer, Ribena, the leading blackcurrant health drink in the UK, is now launched ready-to-drink in single-serve cartons. Other leading squash manufacturers are believed to be making similar moves.

The traditional relationship between squashes and syrups on the one hand, and carbonated soft drinks on the other is about to be transformed by the introduction of what should now be termed non-carbonated soft drinks. The "still drink," until recently confined to continental Europe, is leaping across the Channel.

Drinking yoghurt — No stranger of Scandinavia, drinking yoghurt is becoming a Europe-wide phenomenon as the entry of France's leading co-operative brand (Yoplait) illustrates. The competitive threat to non-carbonated lemonades in single-serve cartons from similarly packaged flavoured milks and drinking yoghurts is already an accepted fact. The threat from the Yoplait-type products (in a small wide-mouth plastic bottle) is more subtle and all embracing, relevant even to the health image so successfully exploited by mineral water based brands such as SPA Citron.

These examples, seemingly chosen at random, are all

Editor's note: The above article was delivered at a meeting of the Coca-Cola Northern European Div. Bottler Strategy Conference in Stockholm, Sept. 25, 1981, by Kelsey Van Musschenbroek, director, Canadean Ltd., European Soft Drink Service.



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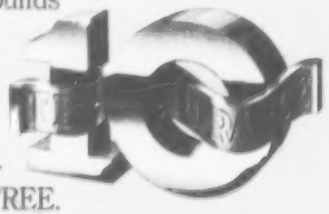

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Population trends in Europe
(15 countries)

	1970	1980	1990	2000
Total (million)	324	338	346	356
Under 19 (million)	104	101	91	94
Under 19 (%)	32%	30%	26%	26%

Sources: UN; Canadean European Soft Drinks Service

Copyright: Beverage Industry, November 6, 1981

European shift from alcohol

	1975	1980	%-Change
Population over 19 (million)	229	237	+3.5
Alcohol* consumption per head (litres)	138.5	137.2	−1.0

*Beer, wine & spirits
Source: Canadean European Soft Drinks Service

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Introducing Liberty's New StacKlip
The Liberty Single-Service System — Econo-Glas-Pak™ and StacKlip™ Available Early 1982.
Rack 'em or Stack 'em!
Sparkling Soft Drink
16
LIBERTY HAS DONE IT AGAIN with a BIGGER and BETTER PACKAGING IDEA!
LIBERTY GLASS COMPANY

Europe trends

(Continued from page 145)

saying the same thing: that the soft drinks market in Europe is becoming a moving target; that many of yesterday's market concepts will have to be substantially qualified in the short term and probably discarded not long after.

underlying trends

Probably the most important notion that we believe should be immediately discarded is the still widely prevalent identification of the term 'soft drinks' with something that is exclusively carbonated and flavoured. Quite deliberately, the European Soft Drinks Service defines 'soft drinks' to mean not only carbonated soft drinks, but also still lemonades, squashes and syrups, fruit juices and nectars, as well as powdered drinks and, of course, mineral water.

This wider view of soft drinks represents the reality of today's market place, and is essential for a clearer understanding of the fundamental changes occuring there.

Let us examine some of these changing fundamentals, both in terms of the wider Europe (i.e. the 15 countries covered by the European Soft Drinks Service) and in terms of the seven countries which comprise the Northern European Division.

First, **population:** much has been said of the greying of America. The phenomenon is equally true of Europe. Although by 1990 Europe's population will be up on 1970 by 22 million (an increase of nearly 7%), there will be 13 million fewer people under the age of 19 (a decline of 12.5%). There is a small 3% increase in the under-19s projected for 1990-2000, but nothing like the 10% drop projected for this decade, which will be three times as fast as the contraction of the under-19s during the 1970s.

The seven countries of the Northern European Div. are right in line with the wider European population profile, with under 19s shrinking from 32% of total population in 1970 to 26% in 1990.

In short, the prime target age group for traditional carbonated soft drinks is shrinking faster than ever before, both proportionately and absolutely.

It is important to bear that

All soft drinks long term European trends

Billion litres	1972	1979	1980	Average growth PA (%) 1972-79	Average growth PA (%) 1979-80
Carbonates	11.5	14.7	14.4	3.5	−1.4
Mineral water	6.6	9.3	9.5	5.1	1.6
Squash/syrups	3.6	4.5	4.6	3.5	2.1
Fruit juice	1.6	2.6	2.9	7.5	12.3
Total soft drinks	23.3	31.1	31.4	4.2	1.0

Source: Canadean European Soft Drinks Service

Copyright: Beverage Industry, November 20, 1981

Carbonates flavour trends in Europe

(% volume)	1978	1979	1980
Cola	28.2	29.8	30.4
Orange	23.7	23.5	23.6
All lemon	26.9	25.5	24.9
Tonic/mixers	5.8	6.1	5.9
All others	15.4	15.1	15.2
	100.0	100.0	100.0
Total (billion litres)	13.9	14.7	14.4

Source: Canadean European Soft Drinks Service

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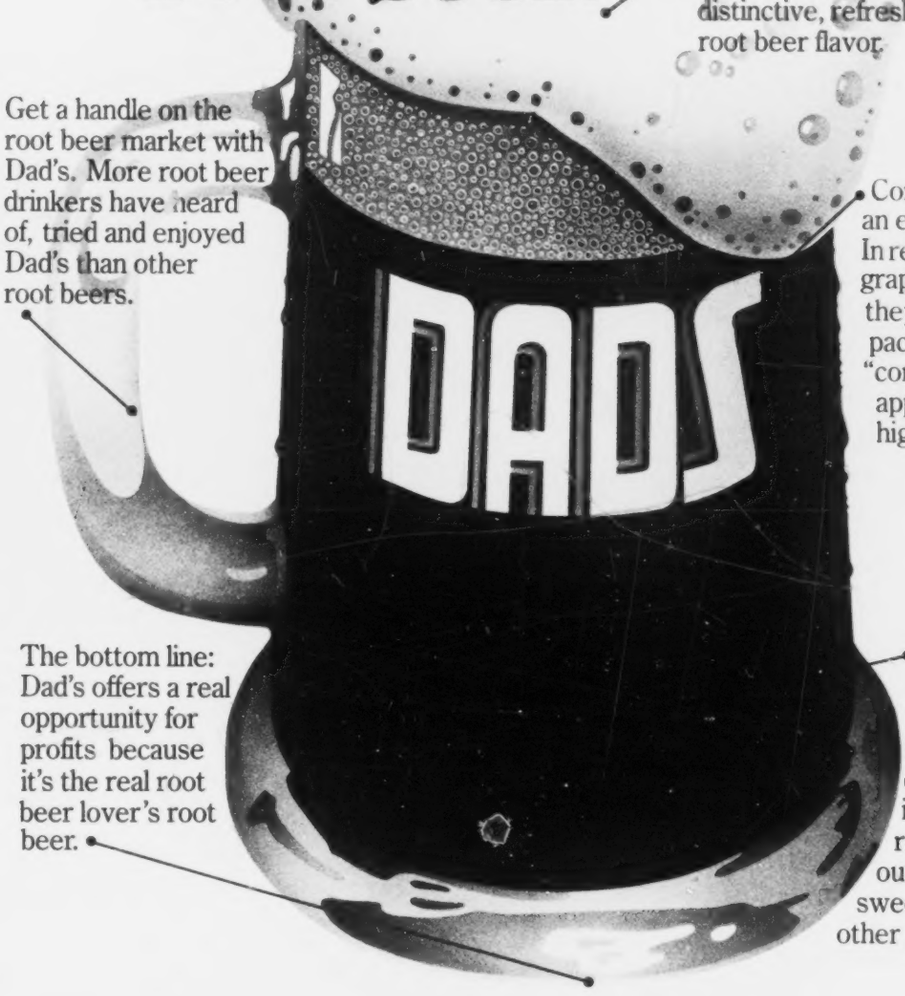
Get ahead with flavor. Consumers love Dad's distinctive, refreshing root beer flavor.

Get a handle on the root beer market with Dad's. More root beer drinkers have heard of, tried and enjoyed Dad's than other root beers.



Consumers have an eye for Dad's. In recent tests for graphics appeal, they saw Dad's packaging as "contemporary, appetizing, and high quality."

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European trends

(Continued from page 146)

in mind while examining the way in which the underlying pattern of total beverge consumption is shifting.

Total beverage consumption: The two largest markets of the Northern European Div. illustrate what has been happening. First the UK: between 1972 and 1980 total per capita beverage consumption is estimated to have risen by 10 L. to 508 L. per head (excluding water). Those litres are broken out in four main categories:

- Total soft drinks (as already defined)
- Milk and milk products (e.g. flavoured milk)
- Coffee and tea
- Alcoholic drinks (beer, wine, spirits)

From the period 1972-1980, by far the largest increase in "share of throat" has been in total soft drinks, from 10% in 1972 to nearly 17% in 1980. Milk's share was static; that of coffee and tea declined; while alcoholic drinks consumption managed only a very modest share increase.

The five main components of UK soft drinks are:

- Carbonates
- Squash
- Fruit juice, nectars and fruit drinks
- Mineral water
- Powdered drinks

Total soft drinks volume has moved up from 50 L. per head in 1972 to 85 L. per head in 1980. But there has been a significant change in the split of those litres between the five categories. The share of carbonates and squash declined, despite positive growth rates for most of that period. Powdered drinks seem unable to get off the ground. But fruit juice volume has really taken off. And this share-of-market analysis suggests fruit juices have taken more from squash than carbonates.

Turning now to the Neth-

Northern European Division vs all Europe

Share of . . .	1972	1980
Total population	28.7%*	28.1%
Under 19s	28.8%*	27.7%
All soft drinks	23.6%	25.5%

*1970

Source: Canadean European Soft Drinks Service

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erlands, a similar pattern of change is clear to see. As in the UK, there has been a static-to-declining "share of throat" for milk, coffee and tea, counterbalanced by a growing share for soft drinks, as well as a more significant increase in the share for alcoholic drinks — mainly down to higher wine sales, as beer and spirits consumption has undoubtedly peaked.

Breaking out total soft drinks consumption in the Netherlands, there have been even more noticeable shifts in the pattern of consumption between 1973 and 1980. Carbonates and syrups have lost market share, while there have been very big increases in the consumption of fruit juices and mineral water. (This year Spa Monopole will sell more in Holland than in Belgium). Sales of powdered drinks have been so small as to be statistically negligible.

Overall, while total soft drinks have been gaining market share in relation to total beverage consumption, carbonated soft drinks have been losing share to fruit juices and mineral waters, although they remain the largest single soft drink category.

SD growth rates

So far this analysis of trends has been expressed mainly in terms of market share changes. But "share of throat" hides what has been happening to relative growth rates. Especially since 1979 there has been a very marked deceleration in total soft drinks consumption. That there was any growth at all, however, was largely the result of an actual acceleration in fruit juice consumption associated with a decline in the real price of orange and apple juice, coupled with a surge in the availability of carton packaging.

Contrasting the Northern European Div. countries with all-Europe, the following differences emerge:

- The underlying growth of carbonates has been more vigorous, but so was last year's market decline.
- Mineral water growth has been more than double

Netherlands beverage consumption trends

(% litres per head)	1973	1980
Soft drinks	15.0	16.9
Milk	18.1	15.3
Coffee & tea	49.4	49.3
Beer, wine & spirits	17.5	18.5
	100.0	100.0
Litres per head	513	568

Source: Canadean European Soft Drinks Service

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Netherlands soft drinks

(% litres per head)	1973	1980
Carbonates	75.1	62.4
Syrups	16.8	13.5
Fruit juice	6.7	18.5
Mineral water	1.4	5.6
Powders	—	—
	100.0	100.0
Litres per head	77.6	98.2

Source: Canadean European Soft Drinks Service

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Northern European Division vs all Europe

Share of . . .	1972	1980
Carbonates	25.8%	27.1%
Mineral water	1.8%	2.8%
Squash/syrups	57.0%	60.9%
Fruit juice	24.7%	35.7%

Source: Canadean European Soft Drinks Service

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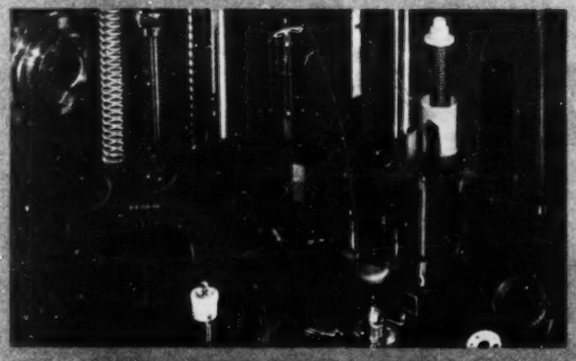

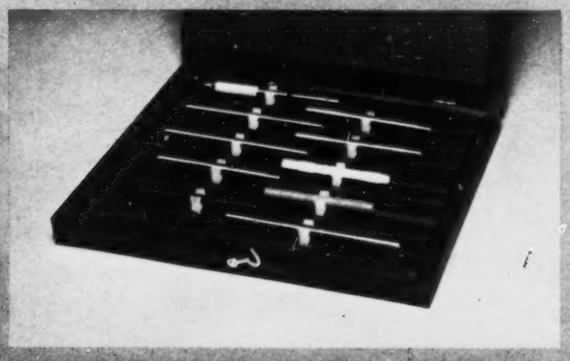

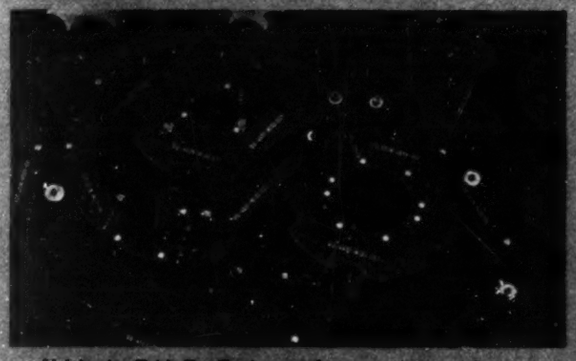

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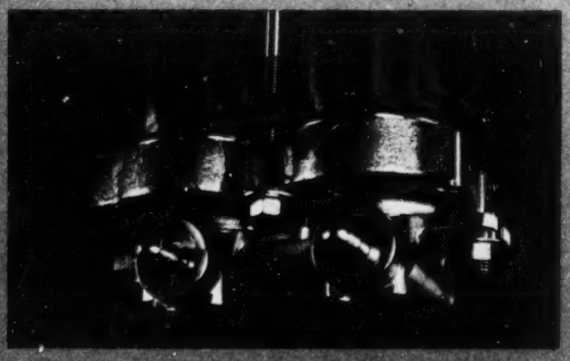

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UK beverage consumption trends '72-'80

(% litres per head)	1972	1980
Soft drinks	10.0	16.7
Milk	13.5	13.4
Coffee & tea	53.0	43.5
Beer, wine & spirits	23.5	26.4
	100.0	100.0
Litres per head	498	508

Source: Canadean European Soft Drinks Service

Copyright: Beverage Industry, November 20, 1981

UK soft drinks

(% litres per head)	1972	1980
Carbonates	46.0	44.7
Squash	48.0	45.7
Fruit juice	5.4	8.4
Mineral water	—	0.6
Powders	0.6	0.6
	100.0	100.0
Litres per head	50	50

Source: Canadean European Soft Drinks Service

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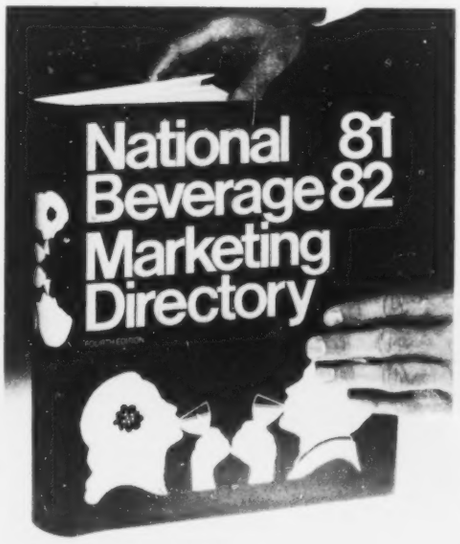

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European trends

(Continued from page 149)

the European average, and has held up well especially in Holland and the UK.

- Mainly because of the dominance of the UK squash market, that sector has also held up well in the recession (consumer downtrading tends to underpin squash sales).
- Fruit juice sales have enjoyed well above average growth rates, even if last year there was a slight deceleration owing to a slow down in some Scandinavian markets.

flavour profile

The following results of a new analysis of carbonated soft drinks flavours is about to be published in the European Soft Drink Service Quarterly Review. Although for reasons of statistical integrity the analysis includes only the three years 1978-1980, the trends which emerge are believed to hold good for a significantly longer time-scale.

Reviewing all of Europe the following trends emerge:

- Colas are steadily gaining market share (30%), but still have less than half the penetration enjoyed by colas in the USA.
- Orange flavours are static (24%)
- Lemon flavours are contracting (25%)
- Tonics are stable (6%)
- Miscellaneous flavours from cedrate to grapesoda, shandy and iron bru have also demonstrated remarkable stability (15%)

The profile of the Northern European Div. countries does have some differences with total Europe, the main ones being:

- A somewhat lower cola penetration (28%);
- A significantly lower share for orange flavours (17%);
- And a much higher share for tonics/mixers (9%) as
- well as miscellaneous flavours (22%).

Taking a somewhat wider canvas, in relation to all of Europe, the seven Northern European countries have in the period 1972-1980 lost some share of total population, as well as lost a more significant share of the under 19 age group; but gained market share for total soft

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drinks.

However, the fact that the Northern European countries' share of total European soft drinks volume (25.5%) is less than their share of population (28.1%) is a reminder that per capita consumption of soft drinks is still a little below the European average.

Making the same comparison for four of the main soft drinks categories (powders excluded), it will be seen that while Northern European countries now represent a greater share of consumption than in 1972, the share of European carbonates volume is still below the share of Europe's population (28.1%).

The Northern European countries' tiny share of European mineral water volume, on the one hand, and dominant share of squash and syrups on the other, are only to be expected. What is intriguing is the disproportionately large share of fruit juice consumption. It will be very surprising if Northern European countries can maintain that position when fruit juice sales in France, Italy and Spain really take-off — and there are certainly signs of a new momentum in Europe's "sun belt."

Looking at Europe as a whole, it becomes possible to synthesize current underlying trends so that signposts for the future are revealed fairly clearly. What all the "first-sight" indicators seem to be saying is that carbonates and squashes have, in relative terms, gone exgrowth, and that fruit juices and mineral water are the product areas of the future.

In this context, there is one important straw in the wind which adds a critical dimension to our thinking. As Europe's population has grown older there has not been the expected growth in alcohol consumption. Per capita consumption is actually showing a small decline on five years ago, so that total European volume is static at best.

adult market

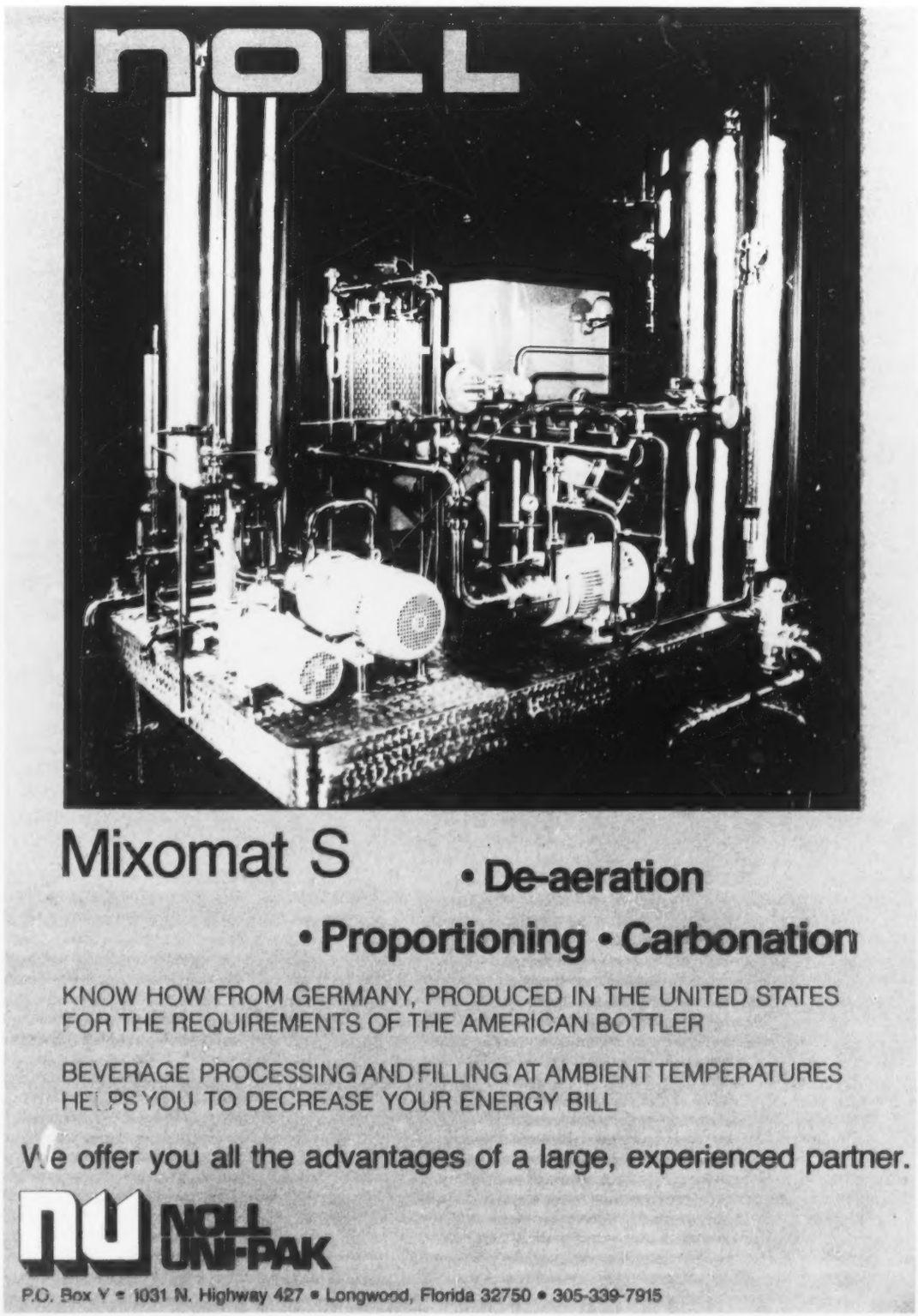
If adults are not drinking any extra alcohol, and per capita tea, coffee and milk consumption are also static or declining, that leaves only soft drinks to take up the slack.

The numbers do show a clear upward movement in total soft drinks at a time when the youth population is declining; they also show a contracting share of market for carbonates and squashes, which implies that fruit juice and mineral water are mopping up the incremental volume represented by the "new adult" market.

For a core carbonates company this represents as a challenge to position its products so that they can take advantage of the "adult drinks" gap which looks like opening up throughout this decade.

That challenge will be facing other players in the industry as well, so it may be relevant to review briefly the competitive trends, highlighted by the flavour survey. Over the three years 1978-1980, Pepsi grew faster — from a much smaller base, of course — in terms of its two main brands. It should be stressed that these are Europe-wide numbers, and performance varies significantly from country to country.

In the lemon-lime segment, Seven-Up Co. has also had the edge. However, it is not so much what Seven-Up rep-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European trends

(Continued from page 151)

resents to day, as what it could represent in the future under its new ownership. The competitive situation has undoubtedly changed in the last three years with the arrival of Philip Morris and Procter and Gamble on the scene. Now there is Dr Pepper/Canada Dry to contend with as well.

distribution

The increasing share of soft drinks sales through fewer and fewer buying points in the organized food trade has become a Europe-wide phenomenon — with the possible exception of Italy.

The good news is that this development represents more opportunities for the movement of genuine volume, as well as opportunities for inventive merchandising — the pub trade could never offer that.

The bad news is that the price for that opportunity is wafer thin margins for the seller as he faces up the strong buyer. What takes the pressure off this encounter is the strength of the seller's brand.

packaging

Finally, packaging. Leaving aside the very real problem of government surveillance and direct intervention in the market place, never before have there been so many packaging options open to the soft drinks bottler, with more coming along all the time.

We already have three sizes of PET bottles with the .5-L bottle already on the market in the USA; new can sizes are about to straddle the old 33-Cl. unit.

Cartons are everywhere, so much so that discordant sounds are to be heard coming from the diversion of the environmentalists; "laminates," they say, are not biodegradable.

The old glass bottle is being made lighter, given wider-mouths, coated with plastic, and offered in a greater size range.

The contest has really been joined between the larger unit (1- to 2-L) and the smaller unit packed in multiples of 2.

Here, then, are the headlines: People are growing older and becoming more abstenious; they are drinking more soft drinks, but fewer carbonates. That represents a clear challenge for the world's best known brand. So does the growing volume opportunity represented by the superstore, as well as the increasing choice now on offer from new packaging technology.

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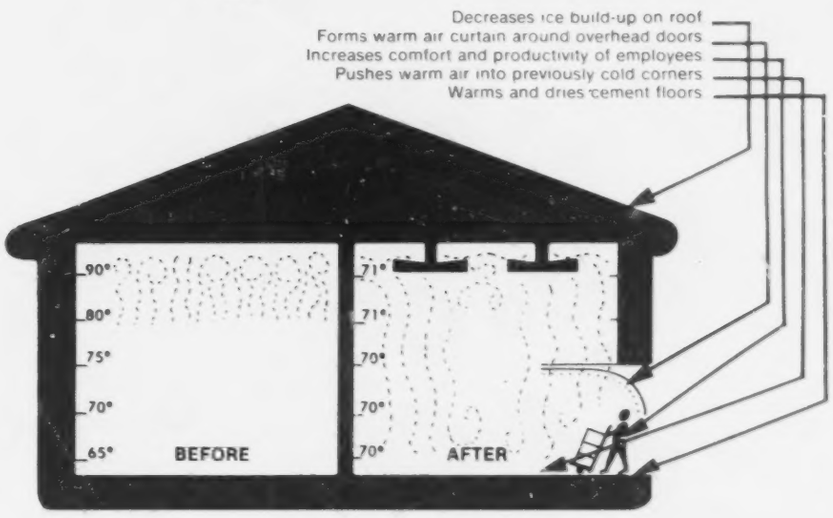

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About the author

Kelsey Van Musschenbroek founded Canadean Ltd. in 1973 as a specialist strategic planning and research group for the European food and beverage industry. He launched the European Soft Drinks Service in 1978 which now serves 25 clients in the soft drink, fruit juice, mineral water and packaging industries.

Proposed: prelabeled bottles for beer

By **Edward Whelan,** manager, advanced development, **Rutherford Machinery,** Rutherford, NJ.

Most packaged beers are pasteurized after filling. Pre-labeled glass must not only be able to resist label damage during pasteurization, but also must not seriously interfere with the pasteurization process. The label must not insulate the contents or otherwise act as a significant barrier to the heat transfer essential to the pasteurization process.

Recent laboratory tests, conducted by Rutherford, compared Plasti-Shield bottles with full wraparound PolyClad prelabeled bottles using equal weight bare glass, as a control. The simulated pasteurization test demonstrated that effective pasteurization temperatures were reached in essentially normal pasteurization time with PolyClad and bare glass, while Plasti-Shield took about 2½ times as long to reach temperature. (See Tables 1 and 2).

While PVC labels were not available for this test; it is believed that the results with this material would be similar to PolyClad, depending somewhat on the thickness of the PVC and the relative area of coverage. In any event, this simulated test concluded that Plasti-Shield could not be run successfully in present pasteurization equipment. Sebsequent trial runs in a commercial brewery confirmed these conclusions.

The Rutherford PolyClad roll fed label system is capable of producing spot labels or full wraparound labels on 12-oz. beer bottles. Spot label speed is in excess of 500 bottles per minute. Actual speeds are dependent on label size. Full wraparound label speeds are currently limited to about 350 per minute.

The principal advantage of using a full wraparound label; in addition to providing a maximum billboard; is to prevent glass to glass contct during the many operations involved in packing, filling and shipping the glass. This in turn permits greater light weighting of the container; thus offsetting the cost of the prelabeling operation.

In the single service soft drink industry, the reduction in glass weight amounted to about 20%. This reduction in glass weight provided sufficient material cost savings and productivity improvements to reduce the selling price of prelabeled glass bottles below its bare glass counterpart.

The amount of lightweighting that can be safely accomplished in a 12 ounce beer bottle is probably more like 10% rather than 20%. The resultant savings to the glassmaker will therefore probably not be enough in itself to fully pay for the cost of the prelabeling operation.

Prelabeling, however, should provide savings in the brewery filling line through reduced labor, and improved line efficiencies to result in a net savings overall.

A comprehensive study was made of the net cost of pre-labeling, both with spot labels and wraparound labels at a glass plant, and the savings achievable at the brewery due to reduced labor and improved efficiencies. This study is summarized in Table 3.

Glass makers could supply prelabeled glass with spot PolyClad labels at an added cost of .0585/case or .3509/gross in present glass weight bottles. PolyClad wraparound labels, which take advantage of a 10% glass weight savings could be produced with added costs of about $.0400/case or $.2398/gross. In each instance, a brewery saving from present costs of $.0832/case or $.4992/gross is indicated resulting in net savings of $.0247/case, $.1483/gross for spot PolyClad labels; and $.0432/case, $.2594/gross for wraparound PolyClad labels.

Prelabeled non-returnable beer bottles are expected to stimulate the growth of glass and continue to erode the present domination of the market by cans. Although

Prelabeled single service containers

Aggressive marketing of the prelabeled single service is probably the most significant packaging advance in recent years in the soft drink industry. These containers are being used successfully to compete with the can particularly in vending.

Soft drink market share for cans was level in 1979 and 1980 at 68%. It is expected to drop to about 58% by 1985, with a total of 27.9 billion units. Prelabeled glass 16 oz. and under went from zero in the mid 1970's to 3.2% in 1979; 8.1% in 1980 and is expected to reach 27% or 13 billion units by 1985. Polyester terephthalate (PET) plastic bottles being test marketed in half liter size in 1981 are expected to capture at least 7.3% of the market or 3.5 billion units by 1985.

It is time to introduce the features of prelabeling to the brewing industry; where the advantages of improved label quality and overall economics, as demonstrated in the soft drink industry, can be similarly applied to malt beverages.

Prelabeling of glass and plastic bottles in the soft drink industry is manifested in two general types, and two generally different methods of manufacture. The most widely found type, used on glass, is Plasti-Shield. Kerr Glass, with its Ultra Performer makes a sleeve of PVC and shrinks it around the bottle. Variations of this system, such as O-I's Label-Lite, consisting of co-extruded foamed polypropylene-polystyrene sleeves are finding application with plastic soft drink bottles. PVC sleeves are also being test marketed with PET plastic bottles.

The most widely used type of prelabeling used on plastic bottles is a paper/plastic laminated label, applied from a roll, and wrapped around the bottle. This label is also widely used on single service glass bottles. Rutherford calls its process the Polyclad labeling system. The label is made up normally of a special non-wicking paper backing, laminated to a film of biaxially oriented Polypropylene. The printing can be applied directly to the paper; or it can be reverse printed to the inside of the film, prior to lamination. The lamination can be accomplished by adhesive application or by extrusion lamination using Polythylene.

It is expected that Rutherford, in cooperation with the several roll fed label manufacturers will develop variations in the basic construction of both supported and unsupported film laminates as future needs dictate.

• For more information on the **PolyClad labeling system,** circle no. 676 on the reader service card.

Table 1: Simulated pasteurization test 10-oz NR bottles

Actual time	120°F rinse	Tank temp. °F	Immersion elapsed time in min.	Bottle water temperature°F Clear	PolyClad	Plasti-Shield*
AM 9:35	OFF			39	39	39
9:36	ON		−4	—	—	—
9:37	ON		−3	57	50	41
9:39	ON		−1	68	57	48
9:40	OFF	158	0	in tank	in tank	in tank
9:41		154	1	73	64	55
9:42		148	2	84	75	61
9:43		150	3	102	97	75
9:45		160	5	120	115	90
9:46		160	6	129	122	97
9:47		160	7	136	129	104
9:48		160	8	142	136	110
9:49		157	9	*145	143	117
9:50		157	10	147	*143.6	120
9:51		155	11	149	144	122
9:53		155	13	151	148	128
9:54		155	14	152	150	133
9:56		155	16	153	152	137
9:58		155	18	153	152	140
9:59		155	19	153	153	*143.6
10:00		155	20	154	153	145
10:03		157	23	154	154	147

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historically, cans always cost more than glass on a unit container basis; greater filling line speeds and other factors offset the container cost disadvantage of cans.

Higher speed glass filling lines, coupled with a widening cost differential between glass bottles and metal cans have tended to favor bottle growth in recent years. In the period of 1975 to 1980, the two packages grew at an annual rate of 10% vs 3% for metal cans.

The period of 1980 to 1985 is more likely to produce a growth rate more like 4% annually, making a total of 56.8 billion units for the two packages in 1985. Can growth is likely to be no more than 2% annually reaching 33.1 billion by 1985. N.R. glass growth during this period is likely to be about 7.5% annually reaching 23.7 billion. Relative market share for cans, which dropped from 71.3% in 1975 to 64.2% in 1980 would drop to 58.3% in 1985.

This is a likely scenario if the existing relationship between glass and cans remains as it is in todays market. If prelabeled glass is able to provide additional savings in the neighborhood of twenty-five cents a gross under present costs, the market share could shift even more strongly toward glass.

Actual time	120°F rinse	Tank temp. °F	Immersion elapsed time in min.	Bottle water temperature°F Clear	PolyClad	Plasti-Shield
9:08	ON			38.5	38.5	38.5
9:10	ON			42.8	41.5	41.0
9:11	ON			47.5	43.5	43.5
9:12		160	0	In tank	In tank	In tank
9:13		155	1			
9:14			2	61	57	48
9:15		150	3			
9:16		145	4	79	70	54
9:17		145	5			
9:18		148	6	105	97	70
9:19		149	7	111	130	75
9:21		148	9	120	111	82
9:22		148	10	126	121	87
9:24		150	12	133	126	95
9:26		150	14	138	131	100
9:28		152	16	140	136	105
9:30		154	18	*143.6	140	111
9:31		154	19	145	142	115
9:32		154	20	146	*144	118
9:34		153	22	147	145	120
9:35		153	23	149	145	123
9:37		153	25	149	147	126
9:39		152	27	149	147	127
9:40		151	28	149	147	129
9:42		154	30	149.5	147.5	132
9:44		154	32	150	147.5	134.5
9:47		152	35	150	149	136.5
9:48		152	36	150	149.5	138
9:50		152	38	150	150	139
9:54		151	42	150	150	141.5
9:56		151	44	150	149.5	142
10:02		151	50	149.5	149.5	*143.6

*Two containers broke apart at 143.6°F after 48 minutes; one polyclad broke after 50 minutes; the Plasti-Shield after 50 minutes.
Source: Rutherford Machinery

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Table 3: Prelabeled beer bottles potential savings

Glass plant costs	spot label 2-7/16" x 3-7/16" per case	spot label 2-7/16" x 3-7/16" per gross	wraparound 2-15/16" x 8-3/8" per case	wraparound 2-15/16" x 8-3/8" per gross
Depreciation	.0068	.0408	.0068	.0408
Use of Capital	.0031	.0184	.0031	.0184
Labor	.0157	.0943	.0157	.0943
Labels[1]	.0329	.1974	.1227	.7363
Total	**.0585**	**.3509**	**.1483**	**.8898**
Less .65 oz. glass wt.	—	—	.1083	.6500
Net Added Cost	**.0585**	**.3509**	**.0400**	**.2398**
Brewery costs eliminated by prelabeling				
Depreciation	.0053	.0318		
Use of Capital	.0044	.0264		
Labor	.0124	.0744		
Labels[2]	.0431	.2586		
Efficiency	.0180	.1080		
Total savings	**.0832**	**.4992**	**.0832**	**.4992**
Net Cost Reduction	.0247	.1483	.0432	.2594

[1]PolyClad labels @ $.15/1000 sq. in. glue $1.00/lb. 5 lbs/ream; 1.5% spoilage
[2]Die Cut labels @ $.20/1000 sq. in. glue $1.00/lb. 5 lbs/ream; 1.5% spoilage
Source: Rutherford Machinery

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November 20, 1981

About the Author

Edward Whelan has been active in packaging and graphic arts market analysis and equipment development for 25 years. He is manager of advanced equipment and business development for the Rutherford Machinery Div. of Sun Chemicals.

Pepsi

(Continued from page 169)

football player — all drinking Pepsi-Cola.

Sylvester stressed that this commercial — which may indicate how Pepsi will integrate "Generation" and "Challenge" in the future — will be used only in "Mature Challenge markets . . . those markets which have met per capita and other objectives and those markets where the mechanics of the taste test have been established.

Asked to give specific examples of "mature" Challenge markets, he named, Los Angeles, New Orleans and Dallas among others.

taste appeal

These commercials open with the invitation: "Come and taste it. Pepsi's got it. Pepsi's got your taste for life." And in addition to the "cowboy" version described above, others are available.

All open with quick cuts of the Pepsi Challenge taste test then proceed to humorous vignettes . . . a state trooper is humored by a youngster

(Continued on page 194)

Molson awards gold to treasure hunter

CHICAGO, IL — The Molson Breweries of Canada concluded the Molson Golden Treasure Hunt here, one of the largest advertising and promotional campaigns for an imported beer, on October 10 when a lucky Chicagoan discovered the $5,000 worth of gold in an area park.

The intensive effort was undertaken by The Martlet Importing Co. to increase Chicago-area sales of Molson beer and ale. Clues to the whereabouts of the Canadian gold were revealed by three waves of Molson radio commercials that aired continuously on 10 stations. Print ads ran in the sports sections of the Chicago Sun-Times and Chicago Tribune as well as 13 college newspapers beginning on September 25th. In addition, approximately 130,000 treasure hunt maps and wall displays were posted in bars and off-sale locations throughout the metropolitan area.

A major share of Molson's $9 million annual advertising and promotional budget had been allocated to support the Chicago drive. Molson's agency is Rumrill-Hoyt Inc., of New York City.

Similar localized concentration has made the Molson brands the number one selling import in Boston as well as most of the New England states, reports the company. Now, in an effort to expand distribution nationwide, the company is focusing its attention on the Midwest where other imports have carved out strong market positions.

This market-by-market saturation, mounted quietly by Martlet, has proven successful. In just five years, the company has established Molson as the nation's number two import.

In 1980, the combined total of all beer imports from Germany, Ireland, Denmark, Norway, Australia, Mexico and Japan did not equal the volume of Molson sold in the United States, despite distribution limited to only 30 states.